

THE RODEHEAVER GROUP P.C.

CERTIFIED PUBLIC ACCOUNTANTS



Subject: Oppose HB 1554 / SB 1045: Harmful tax on small businesses

Dear Maryland Delegates,

I am writing as a CPA, small business owner in Western Maryland, and your constituent to express my strong opposition to HB 1554 and SB 1045. These bills would impose a tax on professional services, which would directly harm Maryland's small businesses and economy.

Disguised as a tax on services, this proposal is effectively a tax on small businesses that rely on essential professional services like those provided by CPAs. If enacted, it would:

- **Increase costs for small businesses** already struggling with inflation and economic uncertainty. Many of my clients are small businesses in the Western part of Maryland and this would have a detrimental impact on them. They are already struggling with rising costs, staffing costs and shortages and burdensome Maryland legislation.
- **The Comptroller of Maryland is understaffed and inadequate:** Nearly a year after the disastrous roll out of "Maryland Tax Connect", we still encounter so many unresolved issues. If you try to call or email the Comptroller's office, you can't get answers or resolutions. If the Comptroller's Office can't handle the normal flow of business, they clearly won't be able to handle implementation of this proposed tax legislation.
- **Drive business out of Maryland** as companies seek services in states without this tax.
- **Create a logistical nightmare:** Where does the tax apply when a CPA serves a multi-state business? How do remote work and cross-border services factor in? How much time and money will businesses waste on tracking and compliance?

I urge you to oppose HB 1554 and SB 1045 to protect Maryland's businesses, jobs, and economy.

Thank you for your time and consideration.

Sincerely,

Kristi Newsome, CPA

Principal

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